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New No.
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WASHINGTON, D. C.

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December 9, 1983

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TELEPHONE
AREA CODE 202
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RECORDATION NO. 14213 DEC 14 1983

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INTERSTATE COMMERCE COMMISSION

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are the original and four counterparts of an Equipment Lease dated as of November 15, 1983, a primary document as that term is defined in the Commission's Rules for the Recordation of Documents.

A general description of the railroad equipment covered by the enclosed document is set forth in Annex I attached hereto and made a part hereof.

The names and addresses of the parties to the enclosed document are:

Owner: First Security Leasing Company
381 East Broadway
Salt Lake City, Utah 84111

Lessee: The Dow Chemical Company
2020 Dow Center
Midland, Michigan 48640

Kindly return the stamped copies of the enclosed document not needed for your files to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

Also enclosed is a check in the amount of \$50 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Very truly yours,

Charles T. Kappler
Charles T. Kappler

Charles T. Kappler

EQUIPMENT LEASE
ANNEX I

DESCRIPTION OF EQUIPMENT

<u>Quantity</u>	<u>Description and Marks</u>	<u>Vendor</u>	<u>DOT Class</u>	<u>Approximate Equipment Cost Per Item</u>
<u>Group 1 Items of Equipment</u>				
50	23,000-gallon tank cars, DOWX 70000 through 70049 inclusive	General American Transportation Corp.	111A100W-1 23M Gal TC	\$ 65,000
	<u>Class 1: DOWX</u> 70000 through 70004			
	<u>Class 2: DOWX</u> 70005 through 70009			
	<u>Class 3: DOWX 70010</u> through 70014			
	<u>Class 4: DOWX 70015</u> through 70019			
	<u>Class 5: DOWX 70020</u> through 70024			
	<u>Class 6: DOWX 70025</u> through 70029			
	<u>Class 7: DOWX 70030</u> through 70034			
	<u>Class 8: DOWX 70035</u> through 70039			
	<u>Class 9: DOWX 70040</u> through 70044			
	<u>Class 10: DOWX 70045</u> through 70049			
10	17,000-gallon tank cars, DOWX 80000 through 80009 inclusive	American Car and Foundry	105-A500W 17M Gal PD	\$ 54,800
	<u>Class 11: DOWX 80000</u> through 80004			

Class 12: DOWX 80005
through 80009

Group 2 Items of Equipment

13	3,000-cubic foot covered hopper cars, DOWX 35000 through 35012 inclusive	North American Car Company	LO - HO 3,000 FT3	\$ 74,000
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Class 13: DOWX 35000
through 35004

Class 14: DOWX 35005
through 35009

Class 15: DOWX 35010
through 35012

BASIC RENT

<u>Equipment Description</u>	<u>Basic Term</u>	Rental Payment Factors for Basic Rent Payments Nos. 1 - 20 <u>Inclusive</u>	Rental Payment Factors For Basic Rent Payments Nos. 21 - 40 <u>Inclusive</u>
Group 1 Items of Equipment	20 years	5.236643%	6.400325%
Group 2 Items of Equipment	20 years	4.813000%	5.882540%

14213

RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Dated as of November 15, 1983

between

FIRST SECURITY LEASING COMPANY, as Owner

and

THE DOW CHEMICAL COMPANY, as Lessee

Railroad Rolling Stock

To the extent, if any, that this Lease constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in this Lease may be created through the transfer or possession of any counterpart other than the executed counterpart containing the receipt therefor executed by the Lender (as defined in this Lease) on the signature page and marked "Original" on the outside front cover. This Lease has been assigned as security as provided in Section 6.02 hereof.

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THIS EQUIPMENT LEASE HAS BEEN ASSIGNED AS SECURITY FOR THE PERFORMANCE OF CERTAIN OBLIGATIONS AS PROVIDED IN SECTION 6.02 HEREOF.

EQUIPMENT LEASE dated as of November 15, 1983 between FIRST SECURITY LEASING COMPANY, a Utah corporation (the Owner), and THE DOW CHEMICAL COMPANY, a Delaware corporation (the Lessee).

RECITALS

A. This is the Lease referred to in the Participation Agreement, dated as of the same date as this Lease, among the Owner, the Lessee and Wells Fargo Leasing Corporation, a California corporation (the Lender). That Participation Agreement, as it may be amended from time to time (the Participation Agreement), contains provisions affecting the leasing of the equipment subject to this Lease.

B. The Owner has granted to the Lender a security interest in this Lease and in the Items of Equipment (as defined herein). The terms of that security interest are set out in the Security Agreement, dated as of the same date as this Lease, between the Owner and the Lender, as it may be amended from time to time (the Security Agreement).

ARTICLE I

DEFINITIONS

1.01 Definitions. Unless the context otherwise requires, these definitions apply to the following capitalized terms used in this Lease:

Basic Rent for an Item of Equipment means the rent that is payable pursuant to Section 2.03 in respect of such Item during its Basic Term and the rent that is payable pursuant to Section 2.06 in respect of such Item during its Renewal Term.

Basic Term for an Item of Equipment is defined in Section 2.01.

Business Day means a day other than a Saturday, Sunday or a day when banks in the States of California, Michigan or Utah are authorized or required by law to close.

Certificate of Acceptance means a certificate of the Lessee substantially in the form of Annex III to this Lease evidencing acceptance of an Item of Equipment under this Lease.

Class of Equipment means each of the Classes of Equipment described in Annex I.

Default means an Event of Default or other occurrence that would constitute an Event of Default with the lapse of time, or with the giving of notice and the lapse of time.

Equipment means the railroad rolling stock more particularly described in Annex I.

Equipment Cost of an Item of Equipment means the amount specified as such in the applicable Certificate of Acceptance, which amount shall be equal to the sum of (i) the purchase price of the Item as stated on the invoice of the Vendor from whom the Lessee purchased the Item directly (including any transportation, assembly and installation costs relating to the Item specified on the invoice), (ii) the amount paid by the Lessee on or before the Funding Date for any additions, modifications or improvements made to the Item, (iii) any freight for the Item paid by the Lessee on or before the Funding Date and (iv) any sales or similar tax paid by the Lessee on or before the Funding Date in connection with its purchase of the Item.

Event of Default means any event specified as such in Section 5.01.

Event of Loss means any event by which an Item of Equipment accepted under this Lease is lost, stolen, destroyed, irreparably damaged, rendered permanently unusable, condemned or requisitioned for any period, indefinite or fixed, extending beyond the Basic Term or the Renewal Term, as the case may be, forfeited or confiscated.

Fair Market Rental Value and Fair Market Value of an Item of Equipment are defined in Section 4.04(a).

Finance Agreements means, collectively, this Lease, the Participation Agreement and the Security Agreement.

Funding Date for an Item of Equipment means the date selected by the Lessee in accordance with Section 2.01 of the Participation Agreement upon which the Owner is required to purchase, and pay the Equipment Cost of, the Item and to lease the Item to the Lessee.

Group 1 Item of Equipment means an Item of Equipment described as a Group 1 Item of Equipment in Annex I.

Group 2 Item of Equipment means an Item of Equipment described as a Group 2 Item of Equipment in Annex I.

Item of Equipment or Item means a distinct unit of the Equipment that has been accepted under this Lease and includes all additions, modifications and improvements other than those that remain the Lessee's property under Section 3.02(a).

Lender means (i) Wells Fargo Leasing Corporation, a California corporation, and its successors and assigns or (ii) in the event the New Notes are purchased in accordance with Article VII of the Participation Agreement, the New Lender and its successors and assigns.

Lien means any lien, charge, security interest or other encumbrance of any kind on an Item of Equipment other than the Owner's interest, the Lender's security interest under the Security Agreement and the Lessee's leasehold interest under this Lease.

New Lender and New Notes are defined in the Participation Agreement.

Note, Series 1-A Note, Series 2-A Note, Series 1-B Note, and Series 2-B Note are defined in the Security Agreement.

Overdue Interest Rate means a rate per annum equal to 1% above the interest rate borne by the Notes or New Notes, as appropriate, or such lesser maximum overdue contract interest rate permitted by law.

Participation Agreement is defined in the Recitals.

Person means an individual, partnership, corporation, trust, unincorporated organization or government (including any political subdivision or governmental agency).

Renewal Term for an Item of Equipment means the period commencing on the day immediately following the last day of the Basic Term and continuing for the period determined in accordance with Section 4.01.

Rent means Basic Rent and Supplemental Rent, collectively.

Rent Payment Date for an Item of Equipment means a date upon which an installment of Basic Rent is due and payable pursuant to Section 2.05 or Section 2.06, as the case may be.

Security Agreement is defined in the Recitals.

Stipulated Loss Value of an Item of Equipment as of any Rent Payment Date means an amount equal to the Equipment Cost of such Item multiplied by the percentage set forth opposite such date in the appropriate Stipulated Loss Values column of Annex II (which percentage is subject to adjustment pursuant to Sections 6.03 and 7.02 of the Participation Agreement and Section 2.04 of this Lease).

Supplemental Rent means all amounts other than Basic Rent (but including, without limitation, any amount of Stipulated Loss Value or Termination Payment) that the Lessee agrees in this Lease to pay to the Owner.

Termination Value of an Item of Equipment as of any Rent Payment Date means an amount equal to the Equipment Cost of such Item multiplied by the percentage set forth opposite such date in the appropriate Stipulated Loss Values column of Annex II (which percentage is subject to adjustment pursuant to Sections 6.03 and 7.02 of the Participation Agreement and Section 2.04 of this Lease).

Vendor means each seller to the Lessee of an Item of Equipment.

1.02 Articles, Sections, Etc. References in this Lease to Articles, Sections and Annexes, without further attribution, are intended to refer to Articles, Sections and Annexes of this Lease, unless the context otherwise requires.

ARTICLE II

ACCEPTANCE AND LEASE OF EQUIPMENT; TERM AND RENT

2.01 Agreement to Lease; Basic Term; Basic Rent.

(a) The Owner hereby agrees to lease each Item of Equipment to the Lessee, and the Lessee hereby agrees to lease each Item of Equipment from the Owner, on the terms and subject to the conditions of this Lease, for an interim term that commences on the Item's Funding Date and ends on July 5, 1984, and for a Basic Term that commences on July 5, 1984 and ends on the last day of the period specified as the Basic Term in Annex I.

(b) During the Basic Term, the Lessee shall pay Basic Rent for each Item of Equipment in the applicable number of consecutive installments set out in Annex I. Each installment of Basic Rent shall be an amount equal to the Item's Equipment Cost multiplied by the applicable rental payment factor set out in Annex I, as that factor may be adjusted pursuant to Section 2.04. There is no interim rental payment.

(c) Basic Rent for an Item of Equipment shall be due in 40 semiannual installments on each January 5 and July 5 commencing January 5, 1985 and ending July 5, 2004.

2.02 Certificates of Acceptance. If all of the conditions precedent to the Lessee's obligation to lease the Equipment set out in the Finance Agreements have been satisfied or waived, the Lessee shall lease in accordance with the terms of this Lease all Equipment accepted by the Lessee under this Lease. The Lessee shall sign and deliver to the Owner one or more Certificates of Acceptance covering all of the Items of Equipment as evidence that the Items are subject to this Lease. Each Certificate of Acceptance shall contain a detailed description of the Item or Items to which it relates and shall be completed in accordance with the relevant provisions of the Finance Agreements.

2.03 (Section intentionally omitted.)

2.04 Revision of Rent; Stipulated Loss Value; Termination Value.

(a) The Lessee acknowledges that the Basic Rent, Stipulated Loss Values and Termination Values set forth in Annexes I and II have been computed on the assumption that the New Notes will be purchased by the New Lender in accordance with Article VII of the Participation Agreement and will bear interest at a constant 12.5% per annum (computed on the basis of a 360-day year of twelve 30-day months). Accordingly, in the event that the New Notes bear interest at a rate other than a constant 12.5% per annum (computed on the basis of a 360-day year of twelve 30-day months) or vary in their terms from those provided in Article VII of the Participation Agreement, then (i) Basic Rent as to each Item of Equipment on each Rent Payment Date occurring after the issuance of the New Notes shall be increased or decreased by such amounts such that the payment of Basic Rent (after deduction of all income taxes required to be paid by the Owner on such amounts under the laws of the United States or any State or political subdivision thereof) will maintain the Owner's Economic Return (as defined in the Participation Agreement) and will be sufficient to pay each installment of principal of and interest on the New Notes as the same shall become due and payable and (ii) the Stipulated Loss Values and Termination Values shall be revised as may be necessary so that the amount received by the Owner in connection with any Event of Loss or termination pursuant to Section 4.03 shall maintain the Owner's Economic Return, and be sufficient to pay all amounts due with respect to the New Notes as a result of such Event of Loss or termination, upon payment of the Stipulated Loss Value or the Termination Payment, as the case may be.

(b) The Lessee acknowledges that the Basic Rent, Stipulated Loss Values and Termination Values set forth in Annex I and II have been computed on the assumption that the rate of interest to be paid by the Owner to the Lender on the Series 1-A Notes and Series 2-A Notes if no New Notes are purchased by a New Lender on July 5, 1984, is a constant 12.5% per annum (computed on the basis of a 360-day year of twelve 30-day months). To the extent that the amount of interest actually accrued on the Series 1-A Notes and Series 2-A Notes during any semi-annual period commencing on July 5, 1984, and on January 5 and July 5 of each succeeding year until the principal of and interest on the Series 1-A Notes and Series 2-A Notes has been paid, either exceeds or is less than, in the aggregate, the amount of interest that would have accrued on the Series A Notes at a constant interest rate of 12.5% per annum (computed on the basis of a 360-day year of twelve 30-day months) during such period, then, in such event, the Basic Rent for each Item of Equipment due on each Rent Payment Date shall be increased or decreased, as the case may be, by the amount that such actual accrued interest for the preceding six-month period exceeds or is less than, in the aggregate, the amount of interest that would have accrued on the Series 1-A Notes and Series 2-A Notes at a constant rate of 12.5% per annum (computed on the basis of a 360-day year of twelve 30-day months), but only after adjusting such difference to maintain Owner's Economic Return that would have resulted from interest payable on the Series 1-A Notes and Series 2-A Notes at a constant rate of 12.5% per annum (computed on the basis of a 360-day year of twelve 30-day months) and (b) the Stipulated Loss Values and Termination Values shall be revised as may be necessary so that the amount payable by the Lessee in connection with any Event of Loss or termination of this Lease under Section 4.03 shall maintain the Owner's Economic Return upon payment of the Stipulated Loss Value or Termination Payment, as the case may be; provided that in all events Basic Rent shall be sufficient to pay each installment of principal of and interest on the Series 1-A Notes and Series 2-A Notes as the same shall become due and payable.

(c) The Lessee acknowledges that the Basic Rent, Stipulated Loss Values and Termination Values set forth in Annexes I and II have been computed on the assumption that all Funding Dates will occur in 1983. Accordingly, in the event the second Funding Date occurs in 1984, then (i) Basic Rent as to each Item of Equipment whose Acceptance Date occurs in 1984 shall be increased or decreased by such amounts that the payment of Basic Rent (after deduction of all income taxes required to be paid by the Owner on such amounts under the laws of the United States or any State or political subdivision thereof) will maintain the Owner's Economic Return, taking into account the date of the second Funding Date and the actual rate of interest borne by the Notes for the period from and excluding the second Funding Date to and including July 5, 1984, and will be sufficient to pay each installment of principal of and interest on the Notes or the New Notes, as the case may be, as the same shall become due and payable, and (ii) the Stipulated Loss Values and Termination Values for each Item of Equipment whose Acceptance Date occurs in 1984 shall be revised as may be necessary so that the amount received by the Owner in connection with any Event of Loss or termination pursuant to Section 4.03 shall maintain the Owner's Economic Return, and be sufficient to pay all amounts due with respect to the Notes or the New Notes, as the case may be, as a result of such Event of Loss or termination, upon payment of the Stipulated Loss Value or the Termination Payment, as the case may be.

(d) The adjusted Basic Rent, Stipulated Loss Values and Termination Values shall be set forth in a certificate of the Lender or the Owner delivered to the Lessee as soon as practicable after each event giving rise to an adjustment pursuant to this Section 2.04. The Lessee may, within 30 days of receipt of such certificate, request that an independent "big eight" public accounting firm selected by the Owner (which firm may be performing audit or other services with respect to the Owner's financial statements) verify, at the Lessee's expense, the computations made by the Owner in determining the amounts necessary to maintain the Owner's Economic Return, and the Owner will provide such accountants with the information reasonably necessary to make such verification.

2.05 (Section intentionally omitted.)

2.06 Renewal Term. During any Renewal Term for an Item of Equipment, the Lessee shall pay as Basic Rent for the Item an amount equal to the lesser of the Item's Fair Market Rental Value or 50% of its average Basic Rent during the Basic Term. Basic Rent during any Renewal Term shall be due on January 5 and July 5 of such Renewal Term.

2.07 Supplemental Rent. The Lessee shall pay all Supplemental Rent as it becomes due and owing.

2.08 Late Payments. The Lessee agrees to pay to the Owner upon demand, as Supplemental Rent, interest at the Overdue Interest Rate on any amount of Basic Rent and any amount of Supplemental Rent (including overdue interest to the extent permitted by law) not paid when due for each day that such amount shall be overdue (determined without regard to any grace period).

2.09 Payments Due on Non-Business Days. If any installment of Basic Rent or any amount of Supplemental Rent would be due (but for this Section 2.09) on a day that is not a Business Day, that installment or amount will be deemed due on the next succeeding Business Day.

2.10 Place and Manner of Rent Payments. The payments to be made by the Lessee under this Lease shall be made as follows:

(a) Subject to clause (b) below, until the Lender has notified the Lessee in writing that the Security Agreement has terminated, the Lessee shall pay to the Lender each installment of Basic Rent, the entire amount of any payment of Stipulated Loss Value and Termination Payment and the amount of any Supplemental Rent due pursuant to Section 2.08 in respect of the late payment of any of those amounts;

(b) Until the Lender has notified the Lessee in writing to the contrary, the Lessee shall pay each installment of Basic Rent by paying to the Lender the aggregate principal of and interest on the Notes due on the Rent Payment Date such installment is due and by paying the Owner the remainder of such installment;

(c) After the Lender has notified the Lessee in writing that the Security Agreement has terminated, the Lessee shall pay to the Owner the amounts specified in clause (a) above;

(d) The Lessee shall make all payments due hereunder to the Lender or the Owner by wire transfer of immediately available funds to such party's account as set forth in Section 7.03 of the Participation Agreement or to such Person or Persons, at such other place and in such other manner as such party may designate by written notice to the Lessee; and

(e) The Lessee shall make all payments due under this Lease other than those specified in clause (a) above directly to the Person entitled to them in accordance with any reasonable payment instructions given by that Person.

2.11 Net Lease; Duty to Pay Absolute. This Lease is a net, non-cancellable lease and the Lessee's obligation to pay rent is absolute, unconditional and without right of deduction, offset or abatement for any reason, and shall continue in full force and effect regardless of the Lessee's ability to use any Item of Equipment, any breach of this Lease by the Owner, any insolvency of the Owner, any defect in the Owner's title to the Items of Equipment or any other reason. Each payment made by the Lessee shall be final and the Lessee will not seek to recover all or any part of such payment from the Owner or the Lender for any reason. If, for any reason whatsoever, this Lease shall be terminated in whole or in part by operation of law or otherwise except as specifically provided herein, the Lessee nonetheless agrees to pay an amount equal to each payment of Rent at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. The Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease, except in accordance with the express terms hereof.

2.12 Quiet Enjoyment. So long as no Event of Default shall have occurred and be continuing, the the Lessor shall not interfere with the possession, use and quiet enjoyment of each Item of Equipment by the Lessee in accordance with the terms of this Lease.

2.13 Disclaimer of Representations and Warranties. AS BETWEEN THE LESSEE AND THE OWNER, THE LESSEE LEASES EACH ITEM OF EQUIPMENT as is, AND THE OWNER HAS NOT AND SHALL NOT BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, CONDITION, DESIGN, VALUE, OPERATION, merchantability or fitness for a particular purpose OF ANY ITEM OF EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY ITEM OF EQUIPMENT, it being agreed that all such risks, as between the Owner and the Lessee, are to be borne by the Lessee. The Lessee acknowledges that it has selected each Item of Equipment on the basis of its own judgment, that it has not relied on any statements, representations or warranties of the Owner as to any Item of Equipment and that the Owner is not a manufacturer of, or a dealer in, any Item of Equipment.

ARTICLE III

LESSEE'S COVENANTS

3.01 Continuing Affirmative Covenants. During the Basic Term and any Renewal Term of each Item of Equipment, the Lessee shall, unless the Owner and the Lender shall otherwise consent in writing:

(a) Location of Equipment. Cause each Item to be used in the interstate commerce of the United States (except as permitted by this Section 3.01(a)) by the Lessee or under the terms of car contracts by a sublessee or user incorporated in the United States, upon railroad lines owned or operated by a railroad company or companies incorporated in the United States, or over which such railroad company or companies have trackage rights or rights for operation of their trains, upon connecting and other carriers in the usual interchange of traffic in the continental United States (except as permitted by this Section 3.01(a)), and only upon and subject to all of the terms and conditions of this Lease. The Lessee agrees not to use or permit the use of Items having an aggregate Equipment Cost in excess of 10% of the aggregate Equipment Cost of all Items then subject to this Lease outside the continental United States at any given time. The Lessee further agrees that any Items so used outside the continental United States will be used only in Canada or Mexico.

(b) Owner's Inspection. At all reasonable times, but subject to the Lessee's safety, health and security regulations, permit the Owner and the Lender, or their authorized representatives, to inspect each Item and the related books and records of the Lessee. Neither the Owner nor the Lender shall have any duty to inspect any Item or shall incur any liability or obligation by reason of not making any such inspection.

(c) Use. Permit each Item to be used only (i) for a purpose for which it was designed and (ii) in compliance with all applicable laws, ordinances and regulations (including without limitation the rules of the Mechanical Division, Association of American Railroads) and the conditions of all insurance policies required to be maintained by the Lessee pursuant to Section 3.01(g).

(d) Marking. Maintain conspicuously on each Item such labels, plates or decals as may be provided by the Owner or the Lender, or conspicuously mark each Item with such notices as the Owner or the Lender may reasonably request, to the effect that the Item is owned by the Owner and is subject to a security interest in favor of the Lender. The Lessee will cause each Item to be kept marked with the reporting marks set out in the applicable Certificate of Acceptance and will keep and maintain conspicuously marked on each such Item, in letters not less than one-half inch in height, the words "Ownership Subject to a Security Agreement Filed with the Interstate Commerce Commission," or such other words as from time to time may be required by law or reasonably requested by the Owner or the Lender to protect the right, title and interest of the Owner or the Lender in each such Item. The Lessee will not change the reporting marks of any Item of Equipment unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Lender and the Owner and duly filed, recorded and deposited by the Lessee in all public offices where this Lease and the Security Agreement shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Lender and the Owner an opinion of counsel to such effect. The Items of Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee or any permitted sublessee or assignee, but the Lessee will not allow the name of any other person, association or corporation to be placed on any item as a designation that might be interpreted as a claim of ownership.

(e) Maintenance and Repair. At its sole expense, maintain each Item in the condition that it was in when delivered to the Lessee, ordinary wear and tear excepted, in good operating order, consistent with prudent industry practice, but in any event to the same extent that the Lessee would, in the prudent management of its properties, maintain comparable equipment if owned or leased by the Lessee, and in compliance with all applicable laws, ordinances and regulations (including without limitation the rules of the Mechanical Division, Association of American Railroads) and the conditions of all insurance policies required to be maintained by the Lessee pursuant to Section 3.01(g), and with all written recommendations as to repair and maintenance practices (if any) issued by each Vendor or manufacturer of the Item. Unless an Item has suffered an Event of Loss, the Lessee shall replace all parts of the Item that become worn out, lost, stolen, destroyed, damaged beyond repair or otherwise rendered permanently unfit for use with replacement parts, each of which shall (i) be new, or, if used, in as good condition as the part being replaced (assuming the replaced part to have been maintained to the standards required by this Lease), (ii) be free of Liens other than Liens permitted by Section 3.01(i), and (iii) immediately become the property of the Owner. Neither the Owner nor the Lender shall be required in any way to maintain, repair or rebuild any Item of Equipment, and the Lessee expressly waives the right to perform any such actions at the expense of the Owner or the Lender pursuant to any law at any time in effect.

(f) Licensing and Registration. At its sole expense, keep each Item licensed and registered as required by federal, state and local law or regulation (including without limitation Interstate Commerce Commission regulation).

(g) Insurance. At its sole expense and at all times prior to the return of the Equipment to the Owner, carry and maintain or cause to be carried and maintained (i) casualty insurance with respect to the Equipment (Loss Insurance) and (ii) public liability insurance with respect to third party personal and property damage, in each case with no greater deductibles and at least comparable in amounts and against risks customarily insured against by the Lessee with respect to equipment it owns or leases similar in nature to the Equipment; provided that the Lessee may in any event self-assume with respect to casualty, but not third party personal and property damage, with respect to the Equipment in a manner and to the extent such self-assumption is consistent with the self-assumption practices of the Lessee with respect to equipment it owns or leases similar in nature to the Equipment; provided

further that public liability insurance with respect to third party personal and property damage shall in no event be for an amount less than \$5,000,000 per occurrence. The proceeds of any self assumed insurance or Loss Insurance shall be payable to the Lessee, the Owner and the Lender as their interests may appear. Each policy of insurance carried in accordance with this Section 3.01(g) shall (i) require 30 days' prior written notice to the Owner and the Lender of cancellation, invalidation or material change in coverage, (ii) show the Owner and the Lender as additional insureds, (iii) provide that such insurance is primary without right of contribution from any other insurance which might otherwise be available to the Owner or the Lender, (iv) provide that in the event of any loss payment under such policy, the insurer shall waive any rights of subrogation against the insured party and shall waive any setoff or counterclaim or any other deduction whether by attachment or otherwise, and (v) include a cross-liability endorsement providing that inasmuch as such policy is written to cover more than one insured, all terms and conditions, insuring agreements and endorsements, with the exception of limits of liability, shall operate in the same manner as if there were a separate policy covering each insured.

On or prior to the first Funding Date and thereafter not less than five days prior to the expiration dates of the expiring policies required pursuant to this Section 3.01(g), the Lessee shall deliver to the Owner and the Lender certificates of insurance issued by the insurers thereunder or by an insurance broker authorized to bind such insurers evidencing the insurance maintained pursuant to this Section 3.01(g); provided that if the delivery of any certificate is delayed, the Lessee shall deliver an executed binder with respect thereto and shall deliver the formal certificate upon receipt thereof.

(h) Personal Property. Ensure that each Item shall at all times be personal property regardless of whether it becomes affixed to, or permanently rests upon, any real property or any improvement thereon.

(i) Liens. At its sole expense, keep each Item free of Liens, other than:

(i) Liens created by contract by the Owner (including the security interest in favor of the Lender created by the Security Agreement);

(ii) Liens arising out of claims against the Owner other than claims against which the Lessee has agreed to indemnify the Owner;

(iii) Liens for Taxes either not yet due or being contested in good faith and by appropriate proceedings so long as such contest does not involve any danger of the sale, forfeiture, seizure or loss of such Item or any interest in it; and

(iv) inchoate or undetermined materialmen's, mechanics', workmen's, repairmen's, employees' or other similar liens arising in the ordinary course of business and securing obligations which are not delinquent, or which are being contested by the Lessee in good faith and by appropriate proceedings so long as such contest does not involve any danger of the sale, forfeiture, seizure or loss of such Item or any interest in it.

(j) Reports. Furnish the Owner and the Lender with the following reports:

(i) On or before April 30 in each year commencing April 30, 1985, an accurate report as of the preceding December 31, showing the Equipment Cost, description and numbers of all Items of Equipment that may have suffered an Event of Loss during the 12 months ending on such December 31 (or since the date of this Lease in the case of the first such report) together with a description of where each Item of Equipment is located and such other information concerning the Items of Equipment as the Owner or the Lender may reasonably request;

(ii) Within 120 days after the end of each fiscal year, the Lessee's audited financial statements for the preceding fiscal year;

(iii) Within 60 days after the end of the first, second and third quarterly accounting periods in each fiscal year, the Lessee's unaudited financial statements (prepared in accordance with generally accepted accounting principles) for the portion of the fiscal year ending with the last day of the quarterly accounting period;

(iv) Promptly after it is filed, a copy of each 10-K and 10-Q report of the Lessee filed after the date hereof with the Securities and Exchange Commission or, if the Lessee does not file such reports, together with the financial statements described in clauses (i) and (ii) above, written reports containing the same information as would be contained in 10-K and 10-Q reports;

(v) Promptly after it is available, a copy of each report delivered by the Lessee to its shareholders;

(vi) Prompt notice of any Default of which the Lessee is aware, describing such Default and any actions taken by the Lessee to remedy the Default; and

(vii) On or before April 30 in each year commencing April 30, 1985, a certificate signed by the president, any vice president, the treasurer, any assistant treasurer or any authorized representative of the Lessee or the treasurer of Dow Chemical U.S.A. stating that a review of the Lessee's activities for the preceding fiscal year has been made under the supervision of that person and that, based upon that review and to the best of that person's knowledge, no Default has occurred and is continuing or, if one or more Defaults exists, describing each such Default and any actions taken by the Lessee to remedy the Default.

(k) Further Assurances. Execute or cause to be executed and file or cause to be filed, at its own expense, any and all financing statements and continuation statements which are necessary or appropriate to perfect, confirm and protect the interests of the Owner and the Lender in and to the Items of Equipment and this Lease. The Owner and Lender may file with the proper filing or recording officers any other papers or documents which they deem necessary or appropriate for the protection of their interests hereunder, and the Lessee further agrees to execute and deliver to the Owner or the Lender, upon their request, any and all further documents and instruments which the Owner or the Lender may reasonably require to perfect, confirm and protect their interests in and to the Equipment and this Lease.

(l) Alterations. Make all additions, modifications and improvements to the Items of Equipment required by law.

3.02 Continuing Negative Covenants. During the Basic Term and any Renewal Term of each Item of Equipment, the Lessee shall not, unless the Owner and the Lender shall otherwise consent in writing:

(a) Alterations. Make any additions, modifications or improvements to any Item that (i) are not readily removable without causing material damage to the Item unless such addition, modification or improvement constitutes an "Improvement" which the Lessee may finance pursuant to the provisions of Revenue Procedure 79-48 or any successor revenue procedure, revenue ruling or law or (ii) will materially impair its commercial value or utility. All additions, modifications or improvements to any Item that are not readily removable without causing material damage to, or impairing the original commercial value or utility of, such Item shall become the Owner's property upon being installed and shall be free of Liens except those permitted by Section 3.01(i) of this Lease. All additions, modifications and improvements to an Item that can be readily removed without causing material damage to, or impairing the commercial value or utility of, such Item shall remain the Lessee's property and, so long as no Default has occurred and is continuing, shall be removed by the Lessee at its sole expense before the Item is returned to the Owner in accordance with Section 3.05. The Lessee shall repair all damage to such Item resulting from such installation and removal so as to restore such Item to the condition in which it existed prior to the installation of such addition or improvement (ordinary wear and tear excepted). The Lessee hereby grants to the Owner a security interest in all Lessee-owned additions, modifications and improvements to an Item to secure the Lessee's obligation to pay Rent and to perform all of its other covenants contained in the Finance Agreements. Neither the Lender nor the Owner shall have any obligation to pay for or to reimburse the Lessee for any addition, modification or improvement permitted by this Section 3.02(a), whether or not it becomes the Owner's property.

(b) Waiver and Consent. Permit any Item to be installed on any property or in any facility so as to become a fixture or an accession unless there shall have been delivered to the Owner and the Lender a waiver and consent in form and substance satisfactory to the Owner and the Lender from each Person holding an interest in such property or facility (other than holders of inchoate materialmen's,

mechanics' and other similar liens) or become or remain a party to any mortgage or lease of property where any Item of Equipment is located, which mortgage or lease restricts the removal of personal property or fixtures.

(c) Liquidation and Reorganization. Wind up, dissolve or otherwise terminate its corporate existence, or consolidate or merge with or into, or sell, lease or otherwise transfer all or a substantial portion of its assets to, any Person, unless:

(i) the Person formed by a consolidation or into which the Lessee is merged or the Person that acquires substantially all of the assets of the Lessee shall be a corporation organized and existing under the laws of the United States of America or any state thereof;

(ii) the successor or transferee corporation shall expressly assume the obligations of the Lessee under this Lease;

(iii) the successor or transferee corporation shall have a net worth not less than the net worth of the Lessee, and a debt to net worth ratio not greater than that of the Lessee, in each case measured immediately prior to the consolidation, merger or transfer;

(iv) after the consolidation, merger or transfer, no Default shall have occurred and be continuing; and

(v) the Lessee shall furnish to the Owner notice of the consolidation, merger or transfer.

(d) Change of Corporate Name or Principal Office. Change its corporate name, its principal place of business or its chief executive office (as the last two phrases are used in the Uniform Commercial Code) unless the Lessee shall notify the Owner and the Lender of the nature of the change within 10 calendar days after the change is made.

3.03 Loss.

(a) Generally. The Lessee bears the entire risk of, and shall indemnify the Owner and the Lender against, loss of or damage to each Item of Equipment from the time that it is accepted under this Lease until the Lessee has returned it in accordance with Section 3.05.

(b) Payment of Stipulated Loss Value, Etc. Promptly after an Item of Equipment suffers an Event of Loss, the Lessee shall so notify the Owner and the Lender. On the earlier of July 5, 1984, or the Rent Payment Date next following the date of the Event of Loss (the Payment Date), the Lessee shall pay to the Owner an amount equal to the sum of (i) the greater of the (X) the Fair Market Value on the Payment Date of the Item suffering the Event of Loss on an as is, where is basis or (Y) the Stipulated Loss Value on the Payment Date of the Item suffering the Event of Loss, plus (ii) all Basic Rent which is due but unpaid on any Rent Payment Date prior to and including the Payment Date, plus (iii) all other Rent that is due but unpaid on the Payment Date, minus (iv) all proceeds of the Loss Insurance maintained by the Lessee in respect of that Item pursuant to Section 3.01(g) and any compensation paid by any government, political subdivision or governmental agency for the condemnation or requisitioning of that Item, in each case to the extent actually received by the Owner or the Lender before the Payment Date.

(c) Disposition of Item Subject to Event of Loss. When the Lessee has paid the amount required by Section 3.03(b), the Basic Term or the applicable Renewal Term, as the case may be, for the Item shall end, no further Basic Rent with respect to the Item shall be payable, and, so long as no Default shall have occurred and be continuing, the Owner shall assign to the Lessee all rights of the Owner to receive any future proceeds of the Loss Insurance maintained by the Lessee in respect of that Item. The Owner shall then, at its sole option, either (i) assign to the Lessee all of the Owner's right, title and interest in and to the Item (including the right to receive any future compensation for the condemnation or requisitioning of the Item), as is, where is and without recourse, representation or warranty, express or implied, except for a warranty that the Item is free of all Liens created by contract by the Owner or arising out of claims against the Owner other than claims against which the Lessee has agreed to indemnify the Owner, (ii) sell the Owner's right, title and interest in and to the Item (including the right to receive any future compensation for the condemnation or

requisitioning of the Item) and, after deducting the Owner's out-of-pocket sale costs, pay to the Lessee so much of the net proceeds of the sale as shall not exceed the Stipulated Loss Value of the Item, or (iii) if the Item has been condemned or requisitioned, retain the Item and assign to the Lessee so much of the future compensation for such condemnation or requisitioning as shall not exceed the Stipulated Loss Value of the Item.

(d) Seizure, Requisition, Etc. If an Item of Equipment is seized or requisitioned under circumstances not constituting an Event of Loss, the Lessee shall so notify the Owner. The leasing of that Item under this Lease shall continue as though the seizure or requisitioning had not occurred and the Lessee shall be entitled, so long as no Default has occurred and is continuing, to receive all compensation paid with respect to that seizure or requisitioning.

3.04 Insurance Proceeds; Compensation for Condemnation, Etc. If the Owner or the Lender shall receive any proceeds of Loss Insurance maintained by the Lessee in respect of any Item of Equipment, or any compensation paid by any government, political subdivision or governmental agency for the condemnation or requisitioning of any Item, the Owner shall cause those proceeds or compensation to be applied as follows:

(a) Provided no Default has occurred and is continuing, Loss Insurance proceeds or compensation paid as the result of any damage to an Item of Equipment shall be released to reimburse the Lessee for expenditures made in repairing or restoring the Item upon the written request of the Lessee and upon receipt by the Owner and the Lender of a certificate of an authorized officer of the Lessee (i) showing in reasonable detail the cost of repairing or restoring the Item in question, (ii) stating that the Item has been repaired or restored to the standards required to be maintained under Section 3.01(e) and (iii) stating further that no Default has occurred and is continuing.

(b) Provided no Default has occurred and is continuing, compensation paid for the requisitioning of any Item of Equipment not constituting a Loss shall be released to compensate the Lessee for its loss of the use of the Item while it is requisitioned upon the written request of the Lessee and upon receipt by the Owner and the Lender of a certificate of an authorized officer of the Lessee (i) stating that

the Item in question has been requisitioned by a specified government, political subdivision or governmental agency, (ii) specifying the date upon which the requisitioning will end, and (iii) stating further that no Default has occurred and is continuing.

(c) Provided insurance proceeds or compensation have not been released pursuant to Sections 3.04(a) or 3.04(b) within three months after their receipt by the Owner or the Lender, or if the Lessee has earlier notified the Owner and the Lender in writing that the Item of Equipment for which the Loss Insurance proceeds or compensation were received has suffered an Event of Loss, then so long as no Default has occurred and is continuing, the Loss Insurance proceeds or compensation shall be applied as follows:

(i) First, an amount equal to the unpaid amounts payable by the Lessee pursuant to Section 3.03(b) for the Item in respect of which such Loss Insurance proceeds or compensation were received shall be retained by the Owner and the Lender;

(ii) Second, the balance, if any, of any Loss Insurance proceeds shall be paid promptly to or upon the order of the Lessee; and

(iii) Third, the balance, if any, of any such compensation shall be paid promptly to or upon the order of the Owner.

3.05 Surrender.

(a) Place of Surrender. If the Lessee does not elect to purchase all Items of Equipment for their Fair Market Value pursuant to Section 4.02, the Lessee shall, at its sole expense, surrender each Item of Equipment then subject to the Lease at the end of its Basic Term or any Renewal Term by delivering the Item to the Owner at the railroad interchange point nearest the location of such Item of Equipment at such time. The Lessee shall deliver to the Owner the plans, specifications, operating manuals and other warranties and documents furnished by the manufacturer or Vendor of the Item and such other documents in the Lessee's possession relating to the maintenance and operation of such Items.

(b) Condition of Equipment. When an Item is surrendered to the Owner, it shall be in the condition and repair required to be maintained under Sections 3.01(d), 3.01(e) and 3.01(l), shall be free of all evidence of advertising or insignia placed on it by the Lessee and shall be free of all Liens.

(c) Storage. Upon written request of the Owner, the Lessee shall, before returning each Item of Equipment to the Owner, provide (i) free storage for a period not to exceed 30 days and (ii) storage thereafter so long as the Owner pays the Lessee's expenses incurred in connection with the storage.

(d) Risk of Loss. When the Lessee has surrendered an Item of Equipment to the Owner in accordance with this Section 3.05 or has placed an Item in storage in accordance with the Owner's written request, the risk of loss with respect to that Item shall pass to the Owner.

3.06 Notices of Significant Events. During the Basic Term and any Renewal Term of each Item of Equipment, the Lessee and the Owner shall each promptly notify the other and the Lender in writing:

(a) Of the amount of any delinquent taxes assessed or charged to the Owner, the Lessee or any sublessee or assignee under any law now or hereafter in force, of which the Owner or the Lessee has had notice, that may reasonably subject the Items of Equipment to the hazard of seizure or lien;

(b) Of any claim, demand, action or dispute that involves the rights of the Owner, the Lessee or any sublessee or assignee hereunder, or that involves the interpretation of any of the provisions of this Lease that directly or indirectly affects the tax or other liability or rights of either the Owner, the Lessee or any sublessee or assignee, in each case of which the Owner or the Lessee has had notice; and

(c) Of any claim or legal proceeding of which the Owner or the Lessee has had notice arising from any accident in which any Item of Equipment is directly or indirectly involved.

ARTICLE IV

LESSEE OPTIONS

4.01 Renewal Option. The Owner hereby grants to the Lessee an option to renew this Lease as to each Item of Equipment in a Class of Equipment upon the expiration of the Basic Term for five consecutive Renewal Terms of one year each, provided that the Lessee elects to renew this Lease as to each and every Item of Equipment in the Class. The terms and conditions applicable to each Renewal Term shall be the same as those contained in this Lease, except that (i) Basic Rent payable during such Renewal Term shall be an amount equal to that specified in Section 2.06, (ii) the Stipulated Loss Value for the Item shall be its Fair Market Value at the beginning of such Renewal Term, (iii) the Lessee shall have no option to renew this Lease as to the Item upon the expiration of the fifth Renewal Term and (iv) the Lessee shall have no right of termination as provided in Section 4.03. This option may be exercised by the Lessee only by written notice to the Owner given not less than 120 days nor more than 270 days before the earliest expiration of the Basic Term or any Renewal Term for any Item of Equipment, but it may not be exercised if, at the time of exercise or the beginning of a Renewal Term, a Default has occurred and is continuing. Time is of the essence of this provision.

4.02 Purchase Option. The Owner hereby grants to the Lessee an option to purchase each Item of Equipment in a Class of Equipment for cash upon the expiration of the Basic Term or any Renewal Term for its Fair Market Value at the time of purchase, provided that the Lessee elects to purchase each and every Item of Equipment in the Class. This option may be exercised by the Lessee only by written notice to the Owner given not less than 120 days nor more than 270 days before the earliest expiration of a Basic Term or any Renewal Term, as the case may be, for any Item of Equipment but it may not be exercised if, at the time of exercise, a Default has occurred and is continuing. If this option is exercised, the Owner shall sell and the Lessee shall purchase such Items on the last day of the Basic Term or the Renewal Term, as the case may be, for each Item of Equipment. Upon payment by the Lessee of the purchase price for all of the Items being purchased and all Rent in respect of each Basic Term or Renewal Term remaining due but unpaid, the Owner shall execute and deliver to or at the direction of the Lessee a bill of sale for the Items on an as is,

where is basis and without any representation or warranty by the Owner, except for a warranty that each Item is free and clear of all liens, claims and encumbrances created by contract by the Owner or arising out of claims against the Owner other than claims against which the Lessee has agreed to indemnify the Owner. The Lessee shall pay or cause to be paid (i) all sales and use taxes payable in connection with each sale and (ii) all unpaid property taxes accrued with respect to each Item attributable to the period prior to the sale. Time is of the essence of this provision.

Notwithstanding the foregoing, the Lessee may purchase the Items of Equipment in a Class for an amount equal to 48.23% of the Equipment Cost of such Items and otherwise on the same terms and conditions set forth in the preceding paragraph if the Lessee shall, no later than 120 days before the earliest expiration of the Basic Term or any Renewal Term, deliver an opinion of independent counsel acceptable to the Lessor to the effect that the existence of such a purchase option would not result in the loss by the Owner of any of the Tax Benefits (as such term is defined in the Participation Agreement). The Owner and Lessee agree that until the delivery of such opinion, the Lessee has no option to purchase any Item for any amount other than the Fair Market Value of such Item.

4.03 Right of Termination. The Lessee shall have the right to terminate this Lease with respect to each and every Item of Equipment in a Class of Equipment on any Rent Payment Date occurring after the fifth anniversary of the Funding Date for such Items (the Termination Date); provided that (i) the Lessee shall have determined in good faith that such Items are obsolete in or surplus to its business, (ii) the Lessee shall have given the Owner written notice of its exercise of such right at least 120 days before the Termination Date and (iii) no Default shall have occurred and be continuing on the Termination Date. The Lessee shall use its best efforts during the period prior to such Termination Date to obtain bids for the purchase of each such Item, and the Owner agrees on the Termination Date to sell such Item for cash to the highest bidder on an as is, where is basis, without any representation or warranty by the Owner, except for a warranty that each Item is free and clear of all liens, claims and encumbrances created by contract by the Owner or arising out of claims against the Owner other than claims against which the Lessee has agreed to indemnify the Owner. In no event shall the Lessee or any member of the Lessee Group, as defined in Revenue Procedure 75-21, be the purchaser of such Item.

On the Termination Date for any Item, the Lessee shall pay the Owner an amount (the Termination Payment) equal to the sum of (i)(A) all Basic Rent that is due but unpaid on any Rent Payment Date prior to and including the Termination Date, and (B) all other Rent that is due but unpaid on the Payment Date, plus (ii)(A) the Termination Value of such Item on the Termination Date, less (B) the sale price of such Item after deduction from such sale price of the Owner's reasonable out-of-pocket costs and expenses, if any, in connection with such sale. If no such sale occurs on the Termination Date, or if the Lessee does not make the Termination Payment, this Lease shall continue in full force and effect with respect to such Item as though no notice of termination had been given by the Lessee. In the event of any such sale and the receipt by the Owner of the Termination Payment, all obligations of the Lessee under this Lease with respect to such Item after the Termination Date shall cease except for such obligations which, by the terms hereof, expressly survive the termination of this Lease.

4.04 Fair Market Value; Fair Market Rental Value

(a) Definitions. The Fair Market Value and Fair Market Rental Value of any Item of Equipment shall be determined on the basis of, and shall be equal to, the value which would obtain for that Item in an arm's length transaction between an informed and willing buyer (other than a buyer in possession or, if the Item has not suffered an Event of Loss, a used equipment dealer) or lessee (other than a lessee in possession) and an informed and willing seller or lessor, neither under any compulsion to buy, sell or lease, and in such determination, costs of removal from the location of use shall not be a deduction from such value. If any Item not suffering an Event of Loss has not been maintained by the Lessee in accordance with the standards required by this Lease, the determination of Fair Market Value or Fair Market Rental Value shall be based on the assumption that the Item had been maintained to those standards.

(b) Appraisal. If the Owner and the Lessee have not agreed upon a determination of the Fair Market Value or Fair Market Rental Value of any Item within 30 days after one of the parties has requested such determination, that determination shall be made by a qualified independent appraiser mutually selected by the Owner and the Lessee or, failing such agreement, by a panel of three qualified independent appraisers, one of whom shall be selected by the Owner, the second by the Lessee, and the third by the first two selected. If no appraiser can be agreed upon by

the first two appraisers, the third appraiser shall be selected by an appropriate court having jurisdiction over both parties. The appraisers shall be instructed to make such determination in writing within 20 days following their appointment. The determination so made by the sole appraiser or by a majority of the appraisers, as the case may be, shall be final and binding on both the Owner and the Lessee. If the appraisers make different determinations, the determination that differs most from the other two shall be excluded, the remaining two appraisals shall be averaged, and such average shall be final and binding on both the Owner and the Lessee. The fees and expenses of any appraisal shall be paid by the Lessee if such appraisal is needed for the Owner's exercise of its remedies under Article V, and equally by the Owner and the Lessee otherwise.

ARTICLE V

DEFAULT AND REMEDIES

5.01 Events of Default. The occurrence of any of the following events shall constitute an Event of Default:

(a) The Lessee shall fail to make any payment of Rent when due, and such failure shall continue for five Business Days; or

(b) The financial statements furnished to the Owner or the Lender by or on behalf of the Lessee shall be materially misleading or any representation or warranty made by the Lessee in any of the Finance Agreements or related documents or in any certificate furnished pursuant to any of the Finance Agreements or related documents shall prove to be false or misleading in any material respect when made; or

(c) The Lessee shall make, or attempt to make, any unauthorized assignment, transfer or sublease of any Item of Equipment or of its interest in this Lease or shall fail to surrender any Item of Equipment when required under the terms of this Lease; or

(d) The Lessee shall fail to make any other payment or to observe or perform any other covenant, condition or agreement required to be observed or performed by the Lessee by the terms of any of the Finance Agreements, and such failure shall continue for 20 Business Days after the Lessee becomes aware of such failure but in any event for 20 Business Days after written notice from the Owner or the Lender to the Lessee specifying the failure and demanding that it be remedied; or

(e) A court having jurisdiction shall enter a decree or order for relief in respect of the Lessee in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of all or a substantial part of its property, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 60 calendar days; or

(f) The Lessee shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in any involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of all or a substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing; or

(g) An event of default based upon the failure by the Lessee to make a payment of money to the Owner, the Lender or the New Lender shall occur under any agreement other than the Finance Agreements between the Lessee and any of the Owner, the Lender or the New Lender; or

(h) The Owner shall be in default under the Security Agreement, which default shall be due to the failure of the Lessee to perform its obligations under any of the Finance Agreements (whether or not the failure shall have become an Event of Default).

5.02 Remedies. Upon the occurrence of an Event of Default, and at any time thereafter so long as any Event of Default shall be continuing, the Owner may, by

written notice to the Lessee, declare this Lease to be in default and, thereafter, the Owner, in addition to exercising any other remedies now or later allowed by law, may elect, to the extent permitted by law, one or more of the following remedies with respect to any or all Items of Equipment subject, however, to the Owner's complying with any mandatory legal requirements:

(a) Proceed by appropriate court action to enforce performance by the Lessee of the provisions of this Lease or to recover all damages, costs, charges and expenses, including attorneys' fees and expenses, incurred by the Owner by reason of an Event of Default and the exercise of any of the Owner's remedies.

(b) By written demand of the Lessee, require the Lessee to redeliver promptly all or part of the Items of Equipment subject to this Lease to the Owner in the same manner and in the same condition as though each Item were being surrendered pursuant to Section 3.05 at the end of its Basic Term or any Renewal Term; or, to the extent permitted by law, without court order or prior demand of the Lessee, take possession of all or part of the Items of Equipment wherever found and, for this purpose, enter upon any premises of the Lessee without any liability to the Lessee for such action. THE LESSEE WAIVES ANY AND ALL RIGHTS TO NOTICE OF, AND TO A JUDICIAL HEARING WITH RESPECT TO, THE REPOSSESSION OF THE EQUIPMENT BY THE OWNER IN THE EVENT OF A DEFAULT BY THE LESSEE.

(c) Whether or not the Owner shall have exercised, or shall at any later time exercise, any of its rights in Section 5.02(a) or 5.02(b), terminate this Lease and thereafter use, hold, keep idle, sell (at public or private sale), lease to others or otherwise dispose of any or all Items of Equipment, on the Lessee's premises or elsewhere and free and clear of all rights of the Lessee, as the Owner in good faith may deem commercially reasonable under the circumstances. This Lease may only be terminated by written notice to the Lessee, and if this Lease is terminated with respect to less than all Items of Equipment, the notice shall specify those Items in respect of which the Lease is terminated. If this Lease is terminated with respect to any Item of Equipment, the Lessee's right to use such Item shall automatically cease.

5.03 Measure of Damages.

(a) If this Lease is terminated with respect to any Item of Equipment by reason of an Event of Default, the Lessee shall pay to the Lender or, if the Lessee has been notified in writing by the Lender that the Security Agreement has been terminated, to the Owner on a date specified by the Owner or the Lender (the Settlement Date), which shall be not earlier than 10 calendar days after the date of the notice, as liquidated damages for loss of a bargain and not as a penalty, and in lieu of any further payments of Basic Rent for each Item of Equipment in respect of which the Lease is terminated:

(i) all unpaid Basic Rent accrued to and including the Settlement Date (or, if the Settlement Date is not a Rent Payment Date, the immediately preceding Rent Payment Date);

(ii) an amount equal to the Item's Stipulated Loss Value as of the Settlement Date (or, if the Settlement Date is not a Rent Payment Date, the immediately preceding Rent Payment Date); and

(iii) if the Settlement Date is not a Rent Payment Date, interest at the Overdue Interest Rate on the amounts payable pursuant to clauses (i) and (ii) above for each day from and including the immediately preceding Rent Payment Date to but excluding the date of actual payment.

If all or any part of the aggregate amount payable by the Lessee pursuant to clauses (i), (ii) and (iii) of this Section 5.03(a) is not paid on the Settlement Date, the Lessee shall also pay interest on the unpaid amount at the Overdue Interest Rate from the Settlement Date until the amount is paid.

(b) The net proceeds of any sale of an Item of Equipment or the net present value of the contract rentals under any new lease of an Item of Equipment in respect of which the Lease is terminated after deducting from such proceeds or present value all costs, charges and expenses of exercising the Owner's remedies under this Lease in respect of those Items shall be credited against the amounts for which the Lessee is liable pursuant to clauses (i) and (ii) of Section 5.03(a). The net present value of the periodic contract rentals under any new lease shall be determined on the basis of a discount rate equal to 7%.

5.04 Remedies Not Exclusive. None of the remedies under this Lease is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Lease or otherwise available to the Owner at law or in equity. Any repossession or subsequent sale or lease by the Owner of any Item of Equipment shall not bar an action for a deficiency and the bringing of an action or the entry of judgment against the Lessee shall not bar the Owner's right to repossess any or all Items of Equipment. The exercise or beginning of exercise by the Owner of any one or more such remedies shall not preclude the simultaneous or later exercise by the Owner of any or all such other remedies.

5.05 Owner's Right to Perform for Lessee. If the Lessee fails to perform or comply with any of its covenants or agreements contained in Article III of this Lease, upon written notice to the Lessee, the Owner may, but shall not be required to, take any action reasonably calculated to cure the Lessee's failure or to protect the Owner's or the Lender's interest in the Items of Equipment or the Owner's rights under this Lease, and the reasonable cost and expenses of the Owner incurred in connection with that action, together with interest at the Overdue Interest Rate, shall be payable by the Lessee to the Owner on demand.

ARTICLE VI

ASSIGNMENTS

6.01 Assignments. This Lease shall be binding upon and shall inure to the benefit of, and may be enforced by, (a) the Owner, its successors and assigns, and (b) the Lessee, its successors and, to the extent permitted by this Lease, its assigns. Unless the Owner transfers all of its rights in the Items of Equipment and under all of the Finance Agreements in accordance with Section 3.09 of the Security Agreement, the Owner shall remain fully liable for all of its obligations under the Participation Agreement and this Lease.

6.02 Rights of Owner's Assignee. This Lease is being assigned to the Lender as security for the obligations of the Owner pursuant to the Security Agreement. The Lessee acknowledges notice of and consents to such assignment and agrees that, until the termination of the Security Agreement:

(a) the Lender, as assignee of this Lease, has all of the rights of the Owner hereunder including, without limitation, the rights of the Owner under Section 2.11, and that the rights of the Lender against the Lessee under the Finance Agreements shall not be subject to any defense, counterclaim or set-off that the Lessee may have or assert against the Owner;

(b) the Lender shall not be or become liable for any obligation of the Owner or otherwise, except by reason of the exercise of the Owner's rights by the Lender;

(c) if the Lender notifies the Lessee in writing that an Event of Default under the Security Agreement has occurred and is continuing, all rights of the Owner under this Lease may be exercised by the Lender without the joinder of the Owner or any other Persons;

(d) the Lessee shall not agree to any amendment of this Lease or any other Finance Agreement without the Lender's prior written consent thereto and any attempted amendment without such consent shall be void; and

(e) the Lessee shall pay the costs and expenses of the Lender (including reasonable attorneys' fees) incurred by the Lender in connection with evaluating any amendment to this Lease or any other Finance Agreement requested by the Lessee.

When the Security Agreement terminates, the rights of the Lender in this Lease shall be terminated, and the provisions of this Lease requiring reports or notices to be given to, or the consent or insurance carried for the benefit of, the Lender shall be ineffective as to the Lender.

6.03 Sublease and Assignment by Lessee. The Lessee shall not, without the prior written consent of the Owner and the Lender, which consent shall not be unreasonably withheld and the request for which shall be promptly considered, (i) sublease or lend any Item of Equipment or (ii) assign, pledge or hypothecate the Lessee's interest in this Lease in whole or in part, unless the sublessee or assignee is an entity of which 50% or more of its issued and outstanding shares is owned, directly or indirectly, by the Lessee. The Lessee's interest is not assignable by operation of law

except in a reorganization permitted by Section 3.02(c). No sublease or assignment shall in any way relieve the Lessee from any obligation under this Lease and the Lessee hereby waives any rights it may now have or hereafter acquire to avoid any such obligation by reason of such sublease or assignment or any circumstances arising from such sublease or assignment. The Lessee agrees to indemnify and hold harmless the Owner and the Lender against any and all reasonable out-of-pocket expenses, claims, demands and liabilities, of whatever nature, relating to or in any way arising out of such sublease or assignment, including, without limitation, reasonable out-of-pocket legal and administrative expenses incurred in evaluating any proposed sublease or assignment, and all reasonable out-of-pocket costs, damages, charges, attorneys' fees and expenses arising out of or necessitated by assertion of any such claim or demand with regard to such sublease or assignment. The Lessee shall provide the Owner and the Lender with such information on the proposed sublessee or assignee as the Owner and the Lender may reasonably request in order to evaluate the proposed sublease or assignment. Any sublease or assignment entered into in violation of this Section 6.03 shall be void.

ARTICLE VII

MISCELLANEOUS

7.01 Holding Over. If the Lessee fails to surrender any Item of Equipment subject to this Lease in full compliance with Section 3.05, the Owner may, but shall not be required to, treat this Lease as continuing in full force and effect with respect to that Item. The Lessee shall continue to pay Basic Rent during the holding over at the rate applicable during the Basic Term or, if this Lease was renewed, the Renewal Term (the Basic Rent for any period less than a full rental period to be the proportionate share of the Basic Rent for the full rental period) and the Stipulated Loss Value of the Item shall be its Stipulated Loss Value as of the last Basic Rent Payment Date of the Basic Term or the Renewal Term, as the case may be. During any holding over, the Owner may terminate this Lease without notice and repossess the Item at the Lessee's expense.

7.02 Amendments, Waivers, Etc. This Lease may be amended or modified only by a writing signed by the Owner and the Lessee and, so long as the Security Agreement is in effect, consented to by the Lender. Failure by any such party to enforce any rights under this Lease shall not be construed as a waiver of rights, nor shall a waiver by any such party of a default in one or more instances be construed as constituting a continuing waiver in other instances. No waiver of any provision of this Lease shall be valid unless evidenced by a writing signed by the party against whom enforcement of the waiver is sought.

7.03 Notices. All notices to be given under this Lease shall be in writing and shall be delivered personally, sent by certified or registered first-class mail, postage prepaid, or dispatched by tested telex, cable or courier to the intended recipient at its address set forth below, unless the recipient has given notice of another address for receipt of notices:

If to the Lessee:

2020 Dow Center

Midland, Michigan 48640

Attention: Treasurer - Dow Chemical U.S.A.

If to the Lender:

101 California Street, Suite 2800

San Francisco, California 94111

Attention: Operations Department

If to the Owner:

381 East Broadway

Salt Lake City, Utah 84111

Attention: Contracts Administration

Notices given in accordance with this Section 7.03, if delivered personally, shall be effective upon receipt, if sent by mail, shall be effective five calendar days after mailing, and if dispatched by telex, cable or courier, shall be effective one Business Day after dispatch.

7.04 Survival. The obligations and liabilities of the Lessee arising under this Lease shall survive the expiration or earlier termination of this Lease, until all obligations have been met and all liabilities have been paid in full.

7.05 Severability. Any provision of this Lease that may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability, without affecting the other provisions of this Lease. Such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable the affected provision in any other jurisdiction.

7.06 Governing Law. This Lease shall be deemed to be a contract made and performed under the laws of the State of Michigan and shall be governed by, and construed in accordance with, the laws of that State.

7.07 Headings. Any headings or captions preceding the text of the several sections of this Lease are intended solely for convenience of reference and shall not constitute a part of this Lease, nor shall they affect its meaning, construction or effect.

7.08 Counterparts. This Lease may be executed in any number of counterparts, each counterpart constituting an original but all counterparts constituting together one and the same instrument and contract; provided that, TO THE EXTENT THAT THIS LEASE CONSTITUTES CHATTEL PAPER AS DEFINED IN THE UNIFORM COMMERCIAL CODE IN ANY APPLICABLE JURISDICTION, NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER OF POSSESSION OF ANY COUNTERPART OTHER THAN THE COUNTERPART BEARING THE SIGNED RECEIPT OF THE LENDER ON THE SIGNATURE PAGE AND MARKED "ORIGINAL" ON THE OUTSIDE FRONT COVER, WHICH COUNTERPART SHALL BE THE ONLY "CHATTEL PAPER" FOR PURPOSES OF THE UNIFORM COMMERCIAL CODE.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

OWNER

LESSEE

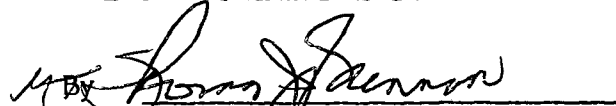
FIRST SECURITY LEASING COMPANY

THE DOW CHEMICAL COMPANY

By



Its Senior Vice President



Its Authorized Representative

ACKNOWLEDGMENT OF RECEIPT

Receipt on December ____, 1983 of this original counterpart of the foregoing Lease is hereby acknowledged.

LENDER

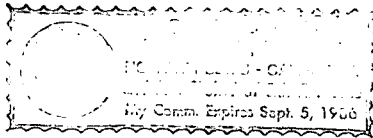
WELLS FARGO LEASING
CORPORATION

By

Its Senior Vice President

STATE OF CALIFORNIA)
) ss.:
CITY AND COUNTY OF SAN FRANCISCO)

On this 8th day of December, 1983, before me personally appeared William C. McGregor, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President of FIRST SECURITY LEASING COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.



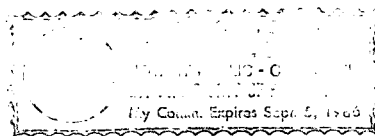
(Notarial Seal)

Dennis L. Riedle
Notary Public

My Commission expires September 5, 1986

STATE OF CALIFORNIA)
) ss.:
CITY AND COUNTY OF SAN FRANCISCO)

On this 8th day of December, 1983, before me personally appeared Thomas J. Brennan, to me personally known, who, being by me duly sworn, says that he is an Authorized Representative of THE DOW CHEMICAL COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.



(Notarial Seal)

Dennis L. Riedle
Notary Public

My Commission expires September 5, 1986

EQUIPMENT LEASE
ANNEX I

DESCRIPTION OF EQUIPMENT

<u>Quantity</u>	<u>Description and Marks</u>	<u>Vendor</u>	<u>DOT Class</u>	<u>Approximate Equipment Cost Per Item</u>
<u>Group 1 Items of Equipment</u>				
50	23,000-gallon tank cars, DOWX 70000 through 70049 inclusive	General American Transportation Corp.	111A100W-1 23M Gal TC	\$ 65,000
	<u>Class 1: DOWX</u> 70000 through 70004			
	<u>Class 2: DOWX</u> 70005 through 70009			
	<u>Class 3: DOWX 70010</u> through 70014			
	<u>Class 4: DOWX 70015</u> through 70019			
	<u>Class 5: DOWX 70020</u> through 70024			
	<u>Class 6: DOWX 70025</u> through 70029			
	<u>Class 7: DOWX 70030</u> through 70034			
	<u>Class 8: DOWX 70035</u> through 70039			
	<u>Class 9: DOWX 70040</u> through 70044			
	<u>Class 10: DOWX 70045</u> through 70049			
10	17,000-gallon tank cars, DOWX 80000 through 80009 inclusive	American Car and Foundry	105-A500W 17M Gal PD	\$ 54,800
	<u>Class 11: DOWX 80000</u> through 80004			

Class 12: DOWX 80005
through 80009

Group 2 Items of Equipment

13	3,000-cubic foot covered hopper cars, DOWX 35000 through 35012 inclusive	North American Car Company	LO - HO 3,000 FT3	\$ 74,000
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Class 13: DOWX 35000
through 35004

Class 14: DOWX 35005
through 35009

Class 15: DOWX 35010
through 35012

BASIC RENT

<u>Equipment Description</u>	<u>Basic Term</u>	Rental Payment Factors for Basic Rent Payments Nos. 1 -20 <u>Inclusive</u>	Rental Payment Factors For Basic Rent Payments Nos. 21 - 40 <u>Inclusive</u>
Group 1 Items of Equipment	20 years	5.236643%	6.400325%
Group 2 Items of Equipment	20 years	4.813000%	5.882540%

EQUIPMENT LEASE
ANNEX II

STIPULATED LOSS VALUES*

Group 1 Items of Equipment

<u>Rent Payment Date</u>	<u>Debt Portion</u>	<u>Equity Portion</u>	<u>Percentage of Equipment Cost</u>
**	107.639167	0	107.639167
01/05/85	77.190159	34.914172	112.104331
07/05/85	76.457227	37.146537	113.603764
01/05/86	75.692624	39.143262	114.835886
07/05/86	74.894090	40.972123	115.866213
01/05/87	74.058607	42.614698	116.673305
07/05/87	73.186176	44.108494	117.294670
01/05/88	72.272273	45.398210	117.670483
07/05/88	71.316143	46.519383	117.835526
01/05/89	70.314016	47.416787	117.730803
07/05/89	69.264384	48.134725	117.399109
01/05/90	68.163477	48.644267	116.807744
07/05/90	67.008279	48.973335	115.981614
01/05/91	65.795774	49.079440	114.875214
07/05/91	64.522944	49.079440	113.602384
01/05/92	63.186021	49.079440	112.265461
07/05/92	61.780480	49.079440	110.859920
01/05/93	60.302550	49.079440	109.381990
07/05/93	58.747708	49.079440	107.827148
01/05/94	57.163457	49.079440	106.242897
07/05/94	55.414825	49.079440	104.494265
01/05/95	52.584891	49.079440	101.664331
07/05/95	49.391507	49.079440	98.470947
01/05/96	46.180780	49.079440	95.260220
07/05/96	45.364149	46.656069	92.020218
01/05/97	43.325209	45.312508	88.637717
07/05/97	41.224437	43.932554	85.156991
01/05/98	40.440984	41.152045	81.593029
07/05/98	38.188649	39.633858	77.822507
01/05/99	35.990606	37.939525	73.930131
07/05/99	34.161290	35.738680	69.899970
01/05/2000	31.466331	34.237088	65.703419
07/05/2000	29.667178	31.703033	61.370211
01/05/2001	26.678894	30.163228	56.842122
07/05/2001	24.674640	27.490234	52.164874
01/05/2002	23.254018	24.015600	47.269618
07/05/2002	20.864447	21.205637	42.070084
01/05/2003	16.213493	20.418495	36.631988
07/05/2003	11.316719	19.730673	31.047392
01/05/2004	5.796350	19.702731	25.499081
07/05/2004	0	20.000000	20.000000

* Subject to adjustment pursuant to Section 7.02 of the Participation Agreement and Section 2.04 of the Lease.

** Acceptance Date

EQUIPMENT LEASE
ANNE X II

STIPULATED LOSS VALUES*

Group 2 Items of Equipment

<u>Rent Payment Date</u>	<u>Debt Portion</u>	<u>Equity Portion</u>	<u>Percentage of Equipment Cost</u>
**	107.639167	0	107.639167
01/05/85	67.994447	44.795629	112.790076
07/05/85	67.134272	47.826225	114.960497
01/05/86	66.246113	50.245534	116.491647
07/05/86	65.327971	52.138174	117.466145
01/05/87	64.377848	53.327883	117.705731
07/05/87	63.393744	53.890290	117.284034
01/05/88	62.374327	53.915076	116.289403
07/05/88	61.316266	53.915075	115.231341
01/05/89	60.218893	53.915075	114.133968
07/05/89	59.078212	53.915076	112.993288
01/05/90	57.892890	53.915075	111.807965
07/05/90	56.659596	53.915075	110.574671
01/05/91	55.375663	53.915075	109.290738
07/05/91	54.038428	53.915076	107.953504
01/05/92	53.400793	53.195981	106.596774
07/05/92	52.949717	52.224271	105.173988
01/05/93	52.432014	51.237503	103.669517
07/05/93	52.135516	49.954589	102.090105
01/05/94	50.478464	49.954589	100.433053
07/05/94	48.745455	49.980893	98.726348
01/05/95	47.778675	48.232742	96.011417
07/05/95	46.726610	46.371388	93.097998
01/05/96	45.128191	44.932135	90.060326
07/05/96	43.650369	43.283530	86.933899
01/05/97	42.029963	41.669885	83.699848
07/05/97	40.302950	40.057225	80.360175
01/05/98	38.585266	38.322210	76.907476
07/05/98	36.997507	36.337521	73.335028
01/05/99	34.018544	35.610320	69.628864
07/05/99	32.470763	33.394422	65.865185
01/05/2000	30.154088	31.786860	61.940948
07/05/2000	28.002652	29.878344	57.880996
01/05/2001	26.023117	27.667139	53.690256
07/05/2001	24.088224	25.203026	49.291250
01/05/2002	21.996753	22.693426	44.690179
07/05/2002	19.714059	20.152048	39.866107
01/05/2003	15.219962	19.612062	34.832024
07/05/2003	10.511988	19.225901	29.737889
01/05/2004	5.376259	19.417879	24.794138
07/05/2004	0	20.000000	20.000000

* Subject to adjustment pursuant to Section 7.02 of the Participation Agreement and Section 2.04 of the Lease.

** Acceptance Date

EQUIPMENT LEASE
ANNEX III

CERTIFICATE OF ACCEPTANCE

No. _____

Dated: December _____, 1983

The undersigned Lessee hereby accepts the Items of Equipment described below on the terms and conditions of the Equipment Lease dated as of November 15, 1983 (the Lease) between First Security Leasing Company (the Owner) and the Lessee. Terms used in this Certificate of Acceptance are defined in the Lease.

1. Description of Items of Equipment (including reporting marks):

2. Equipment Cost: \$ _____ in the aggregate and \$ _____ per Item as follows:

Vendor's purchase price: \$ _____
Additions, modifications
or improvements (describe): \$ _____
Freight: \$ _____

3. Rental Payment Factor: _____ %

4. Basic Rent: As Basic Rent for the Items of Equipment, the Lessee shall pay \$ _____ per Item and \$ _____ in the aggregate

The Lessee represents and warrants to the Owner and the Lender that (i) its representations and warranties in Section 4.01 of the Participation Agreement are true and correct on and as of the date hereof as though made on the date hereof, (ii) no Default has occurred and is continuing on the date hereof, and (iii) each Item of Equipment described in this Certificate is in good condition and operating order, is fit for its intended use and meets all specifications required of the Lessee.

The execution of this Certificate in no way affects any rights of the Owner or the Lessee against any Vendor or manufacturer, including rights arising under any warranties, express or implied, in respect of the Items of Equipment.

LESSEE

THE DOW CHEMICAL COMPANY

By _____

Its _____